

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: HEART OF IOWA COMMUNICATIONS, INC., AND HEART OF IOWA COMMUNICATIONS COOPERATIVE	DOCKET NOS. SPU-02-06 WRU-02-17-482 (TCU-99-33) (TCU-01-19) (TCU-02-2)
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**ORDER APPROVING JOINT APPLICATION FOR DISCONTINUANCE OF
SERVICE, AUTHORIZING AMENDMENT TO CERTIFICATE, AND
GRANTING WAIVER**

(Issued June 20, 2002)

On May 20, 2002, Heart of Iowa Communications, Inc. (Heart of Iowa), and Heart of Iowa Communications Cooperative (HICC) filed with the Utilities Board (Board) a joint application to amend their certificates of public convenience and necessity to reflect changes to their service exchanges. Heart of Iowa is the wholly-owned subsidiary of HICC. Both Heart of Iowa and HICC are local telecommunications service providers in Iowa. No objection to the joint request has been filed.

In support of their request, Heart of Iowa and HICC state that Heart of Iowa is in the process of dissolution and is anticipated to be dissolved effective June 30, 2002. Heart of Iowa and HICC state that under the planned dissolution, all assets and liabilities of Heart of Iowa will be assumed by HICC.

Heart of Iowa and HICC request that Certificate No. 0172, issued to Heart of Iowa on May 9, 1997, be terminated and Certificate No. 0119, issued to HICC September 29, 1992, and amended October 1, 2001, be amended to include the service area originally served by Heart of Iowa. Both Heart of Iowa and HICC have served proper notice upon all of Heart of Iowa's customers informing them of the transfer of Heart of Iowa's assets and customer base to HICC and that there will not be a change in the rates, terms, and conditions of services provided to Heart of Iowa's customers.

The Board will approve Heart of Iowa and HICC's joint request to amend their certificates. An order canceling Heart of Iowa's certificate (Certificate No. 0172) is being issued concurrent with this order and will become effective upon the withdrawal of Heart of Iowa's existing tariff. An amendment to HICC's certificate (Certificate No. 0119) to reflect the addition of the exchanges originally served by Heart of Iowa is also being issued concurrent with this order and will become effective upon the approval of HICC's amended tariff reflecting the incorporation of the exchanges formerly served under Heart of Iowa's certificate.

Heart of Iowa and HICC have also informally requested the Board grant a waiver of 199 IAC 22.23(2) regarding individual customer verification rules for unauthorized changes in telecommunication services. The waiver request was identified as Docket No. WRU-02-17-482.

To grant this waiver, the Board must find, based upon clear and convincing evidence, that the request meets the four criteria in 199 IAC 1.3. The four criteria

are: 1) the application of the rule would cause undue hardship, 2) the waiver would not prejudice the substantial legal rights of any person, 3) the provisions of the rule are not specifically mandated by statute, and 4) substantially equal protection of public health, safety, and welfare will be afforded by a means other than prescribed by the rule.

The Board finds that a waiver of 199 IAC 22.23(2) should be granted based on the Board's review of the information provided by Heart of Iowa and HICC. The Board finds that it would be an undue hardship for HICC to obtain individual authorization verifications for the change in service providers from Heart of Iowa's many customers in the Eldora, Steamboat Rock, and Conrad, Iowa, exchanges. The Board also finds that the waiver will not affect the substantial legal rights of any person and that equal protection of the public health, safety, and welfare have been afforded since all of Heart of Iowa's customers received notice of HICC's acquisition and will be afforded an opportunity to change providers if they choose to do so.

IT IS THEREFORE ORDERED:

1. The joint request filed by Heart of Iowa Communications, Inc., and Heart of Iowa Communications Cooperative on May 20, 2002, to amend their certificates of convenience and necessity is approved.

2. The application in the joint request for Heart of Iowa Communications, Inc., to discontinue service is granted. An order canceling Certificate No. 0172, issued to Heart of Iowa Communications, Inc., is being issued concurrent with this order and will become effective upon the withdrawal of its existing tariff.

3. An order amending Certificate No. 0119, issued to Heart of Iowa Communications Cooperative, reflecting the addition of the exchanges originally served by Heart of Iowa Communications, Inc., is being issued concurrent with this order and will become effective upon the approval of Heart of Iowa Communications Cooperative's amended tariff reflecting the incorporation of those exchanges.

4. The informal joint request by Heart of Iowa Communications, Inc., and Heart of Iowa Communications Cooperative for a waiver of 199 IAC 22.23(2), the verification requirement for unauthorized changes in telecommunications service, is granted.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 20th day of June, 2002.